



GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Workshop Room
5850 West Glendale Avenue
December 19, 2006
1:30 p.m.

WORKSHOP SESSION

1. [FY 2006-07 FIRST QUARTER GENERAL FUND STATUS REPORT ON REVENUES AND EXPENDITURES](#) – 45 MINUTES
2. [BOND ELECTION UPDATE](#) – 1 HOUR
3. [INTERGOVERNMENTAL PROGRAMS DEPARTMENT 2007 STATE LEGISLATIVE AGENDA](#) – 30 MINUTES

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council about issues raised by the public during Business from the Floor at previous Council meetings or to provide Council with a response to inquiries raised at previous meetings by Council members. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL COMMENTS AND SUGGESTIONS

EXECUTIVE SESSION

1. LEGAL MATTERS
 - A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending and contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §§38-431.03 (A)(3)(4)).

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. Discussion/consultation with the City Attorney and City Manager to consider its position and provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with the possible purchase of property located at approximately 43rd and Peoria Avenues, which property is the subject of negotiations. (A.R.S. §§38-431.03 A(3)(4)(7))
- B. Discussion/consultation with the City Attorney and City Manager to consider its position and provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with contractual negotiations associated with economic development opportunities in the area west of 99th Avenue between Bethany Home Road to Glendale Avenue. (A.R.S. §§38-431.03 A(3)(4)(7))
- C. Discussion/consultation with the City Attorney and City Manager to receive an update, to consider its position, and to provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with the Cactus League facility and ancillary development located west of the Agua Fria Freeway between Camelback and Glendale Avenues that is the subject of negotiations. (A.R.S. §§38-431.03 (A)(3),(4),(7))

3. PERSONNEL MATTERS

- A. The City Council will meet to discuss and consider the annual performance evaluation of the City Manager. (A.R.S. §38-431.03 (A)(1))
- B. Various terms have expired on Boards and Commissions. The City Council will be discussing appointments involving the following Boards and Commissions. (A.R.S. §38-431.03 A.1)
 - 1. Ad-Hoc Event Advisory Committee
 - 2. Arts Commission
 - 3. Aviation Advisory Commission
 - 4. Board of Adjustment
 - 5. Citizen Bond Election Committee
 - 6. Citizens Advisory Commission On Neighborhoods
 - 7. Citizens Bicycle Advisory Committee
 - 8. Citizens Transportation Oversight Commission
 - 9. Commission On Persons With Disabilities
 - 10. Community Development Advisory Committee
 - 11. Historic Preservation Commission
 - 12. Housing Advisory Commission
 - 13. Industrial Development Authority
 - 14. Judicial Selection Advisory Board
 - 15. Library Advisory Board
 - 16. Parks and Recreation Advisory Commission

17. Personnel Board
18. Planning Commission
19. Public Safety Personnel Retirement System/Fire Board
20. Public Safety Personnel Retirement System/Police Board
21. Risk Management/Worker's Compensation Trust Fund Board

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03 (A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03 (C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.



CITY OF GLENDALE

Council Communication

Workshop Agenda

12/19/2006

Item No. 1

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Art Lynch, Deputy City Manager

Raymond H. Shuey, Chief Financial Officer/Finance Director

Sherry M. Schurhammer, Management & Budget Director

SUBJECT: **FY 2006-07 FIRST QUARTER GENERAL FUND STATUS
REPORT ON REVENUES AND EXPENDITURES**

Purpose

-
- This is a request for City Council to review the FY 2006-07 first quarter report on General Fund (GF) revenue and expenditures.

Council Strategic Goals Or Key Objectives Addressed

-
- The FY 2006-07 first quarter report on the GF is consistent with the Council's goal of ensuring the city's financial stability by conducting timely reviews of expenditures and revenues.

Background

-
- In response to Council requests, staff committed to providing quarterly reports on the GF beginning with FY 2003-04.

First Quarter General Fund

- The GF's first quarter revenue budget and actuals, as well as a comparison with the first quarter of last FY, are as follows (in 000s):

	FY 2006-07 Budget	FY 2006-07 Actuals	FY 2005-06 Actuals_	% Change FY06 to FY07
City Sales Tax	\$ 15,543	\$ 15,345	\$ 13,939	+ 10%
State Income Tax	\$ 6,240	\$ 6,882	\$ 5,728	+ 20%
State Sales Tax	\$ 5,480	\$ 5,589	\$ 5,546	+ 1%
State Motor Vehicle In-Lieu	\$ 2,552	\$ 2,595	\$ 2,653	(2%)
Highway User Revenue Funds	\$ 3,960	\$ 4,117	\$ 4,014	+ 3%
Primary Property Tax	\$ 946	\$ 116	\$ 181	(36%)
All Other	\$ 7,329	\$ 6,391	\$ 7,675	(17%)
TOTAL	\$ 42,050	\$ 41,035	\$ 39,736	+ 3%

- The current FY's first quarter revenues are almost \$1.3 million (3%) more than last FY's first quarter revenues.
- The current FY's first quarter GF revenue receipts are \$1 million (2%), less than budgeted.
- The fact that first quarter revenues are slightly less than expected is not surprising because revenues tend to come in more slowly at the beginning of the fiscal year, with the pace of collections picking up speed as the year progresses.
- For example, the last half of the fiscal year typically comes in more strongly than the first half. As noted in prior quarterly reports on GF revenues, major sources like city sales taxes, state-shared sales taxes, Highway User Revenue Funds (HURF) collections, and property tax revenue receipts have been stronger during the last half of the fiscal year for the last several fiscal years.
- City sales tax collections were \$15.3 million. This amount is approximately \$198,000 (1%), less than budget. The \$15.3 million is \$1.4 million (10%) more than first quarter receipts in FY 2005-06.
- State-shared revenues collections were slightly under \$15.1 million. This amount is approximately \$800,000 (5.5%) more than budgeted. Each of the three components of state-shared revenue performed well, as the following information shows:
 - State income tax receipts were \$642,000 (10%) more than expected;
 - State sales tax receipts were \$109,000 (2%) more than expected; and
 - Motor vehicle in-lieu receipts were \$43,000(2%) more than expected.
- State-shared revenue receipts of almost \$15.1 million are \$1.1 million (8%) ahead of the \$13.9 million collected in the first quarter of FY 2005-06.
- HURF revenues are commonly called the gas tax even though there are several other transportation-related fees that comprise this revenue source. Much of this revenue source is

based on the volume of fuel sold rather than the price of fuel. HURF receipts were \$158,000 (4%) ahead of budget.

- The FY 2006-07 first quarter budget expenditures and actuals for the GF operating and pay-as-you-go (PAYGO) capital expenditures are as follows (in 000s):

	<u>FY 2006-07 Budget</u>	<u>FY 2006-07 Actuals</u>
GF Salaries/Benefits	\$ 30,361	\$ 28,296
GF Non-Personnel	\$ 16,444	\$ 13,461
GF Debt Service (leases)	\$ 2,629	\$ 7,630
PAYGO Capital	\$ 1,994	\$ 2,145
TOTAL	\$ 51,428	\$ 51,532

- Overall, first quarter actuals were very close to the amount budgeted. Salary savings totaled almost \$2.1 million and non-salary savings totaled just under \$3 million, so ongoing expenditures are below budget at the end of the first quarter. These savings in the ongoing budget were offset by the debt service category that reflected a planned, budgeted one-time \$7 million payment for the Northern Crossing lease. The \$7 million payment was discussed with Council during the April 11, 2006, the workshop on the FY 2006-07 budget.
- At the end of the first quarter of FY 2006-07, the budget-basis GF fund balance was just under \$49.2 million.

First Quarter Designated Sales Tax Receipts

- At the end of the first quarter, the transportation sales tax first quarter revenue budget and actuals, as well as a comparison with the first quarter of last FY, were the following:

	<u>FY 2006-07 Budget</u>	<u>FY 2006-07 Actuals</u>	<u>FY 2005-06 Actuals</u>	<u>% Change FY06 to FY07</u>
Trans Sales Tax	\$5,869	\$6,310	\$5,316	+ 19%

- The current FY's first quarter revenues are almost \$1 million (19%) more than last FY's first quarter revenues.
- The current FY's first quarter revenues are \$441,000 (7.5%) more than the first quarter budget.
- At the end of the first quarter, the public safety sales tax receipts were the following (in 000s):

	FY 2006-07 Budget	FY 2006-07 Actuals	FY 2005-06 Actuals	% Change FY06 to FY07
Police sales tax	\$ 781	\$ 843	\$696	21%
Fire sales tax	\$ 390	\$ 421	\$348	21%

- The current FY's first quarter police sales tax revenues are \$147,000 (21%) more than last FY's first quarter revenues.
- The current FY's first quarter fire sales tax revenues are \$73,000 (21%) more than last FY's first quarter revenues.
- For the current FY, the police component of the public safety sales tax was \$62,000 (8%) ahead of budget.
- For the current FY, the fire component of the public safety sales tax was \$31,000 (8%) ahead of budget.
- These receipts are not included in the GF city sales tax figure provided in the prior section of this report.

Previous Council/Staff Actions

- The FY 2005-06 third quarter report on the GF was presented to Council on June 20, 2006.
- The FY 2005-06 second quarter report on the GF was presented to Council on March 14, 2006.
- The FY 2005-06 first quarter report on the GF was presented to Council on December 20, 2005.

Policy Guidance

Council is not being asked to provide guidance as this is a status report on the General Fund covering the end of FY 2005-06 and the first quarter of FY 2006-07.



CITY OF GLENDALE

Council Communication

Workshop Agenda

12/19/2006

Item No. 2

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Art Lynch, Deputy City Manager
Raymond H. Shuey, Chief Financial Officer / Finance Director
Sherry M. Schurhammer, Management and Budget Director

SUBJECT: **BOND ELECTION UPDATE**

Purpose

- This is a request for City Council to continue its review of categories and authorization amounts for a May 2007 general obligation (G.O.) bond authorization election. Council is requested to provide guidance regarding the categories and amounts for which the city could seek bond authorization at a May 2007 special election.
- At its November 21, 2006 workshop, Council reviewed the conclusions reached by the Ad-hoc Citizen's Bond Election Committee (Committee) based on the Council-approved ten-year CIP and the changes that the Committee recommended. At this meeting, Council requested staff to come back to the December 19, 2006 workshop with information on the:
 - Categories and projects within the Council-approved five-year CIP with an accompanying authorization request not to exceed \$400 million in total for all categories;
 - Ability to ensure the Council-approved five-year CIP affordability of projects' operations and maintenance costs;
 - Historic accounting of the amount of bond authorization capacity the city utilizes annually.

Council Strategic Goals Or Key Objectives Addressed

- Council's goal of a city that is fiscally sound is addressed through review of the practicality and affordability of capital projects and the financing of these projects with bonds.

- For Council to make sound financial decisions, staff continually reviews the CIP projects' cost estimates; financing options for projects; estimated operating budget impacts; and the current financial state of the city to include revenues and expenditures.

Background



Citizen Bond Election Committee

- On November 15, 2005 at a workshop meeting, Council was presented with a request to provide guidance regarding the appointment of a Committee to consider the issue of additional voter authorization for capital projects and also the timing of a bond election.
- Staff presented Council with financial information detailing the remaining authorization from the 1999 bond election categories. In addition, Council was alerted to the fact that the remaining voter authorization from the 1999 bond election was expected to expire over the next several years based upon the Council-approved FY 2006-15 CIP published in the FY 2005-06 budget book. The projected capital projects detailed in the approved 10-year CIP dictated the need for additional voter authorization.
- Staff notified Council that certain categories of CIP projects would not have sufficient authorization in the fiscal year beginning July 1, 2008 for the Parks category. Beginning July 1, 2009, there will be insufficient voter authorization for the Flood Control and HURF categories.
- Consensus was reached by Council at the November 15, 2005 workshop to have staff move forward on Option Two which included: pursuing a Special Election in March or May of 2007; appointing a Citizen Committee during the spring of 2006; and for the Committee to use the CIP that Council will have adopted and published in the FY 2006-07 budget book
- Per Council action by adopting an ordinance on May 23, 2006, an Ad-hoc Citizen Bond Election Committee was established with specific instructions and charges. These charges as stated in the ordinance are to:
 - "...serve as a voter bond authorization issues focus group...;
 - review and provide feedback on draft staff recommendations in relationship to the city's responsibilities for administering the Council-approved CIP budget...;
 - ensure staff has heard and considered ideas, concerns and issues prior to bringing policy matters before the Council related to the call for a bond election...;
 - submit a presentation to City Council...which summarizes their recommendations;
 - and serve as a conduit of information back to the neighborhoods regarding the city's CIP and facts surrounding existing and future bond authorization needs."
- At the initial Committee meeting of June 19, 2006, Mayor Elaine Scruggs opened the Committee by welcoming the members and explaining the role of the Committee as advisory in nature whose recommendation would serve as a blueprint for Council decisions

on the future. Mayor Scruggs noted that Council ultimately decides which recommendations and issues will be placed on the ballot, with the voters having the final decision via a bond election.

- At the Committee's July 24th 2006 meeting, Chair Mr. Ron Piceno, discussed the inability to complete both visioning and subgroup meetings within the given timeframe of bringing recommendations back to Council in October of 2006. The decision by Chair Piceno was for the Committee to hold only subgroup meetings and to reach consensus decisions. The subgroups were responsible for reviewing projects and making recommendations to the whole Committee for Council consideration.
- Between June and September 2006, the Committee held a series of 12 public meetings to review the Council-approved 10-Year CIP. Over the course of these 12 meetings, city staff made presentations while Committee members were responsible for asking questions designed to gather information to help them develop a recommendation for presentation to the Council.
- At the Committee's September 25, 2006 meeting, the subgroups presented their recommendations to the whole Committee for review, discussion and final recommendation. In two of the categories, Parks & Recreation and Streets and Parking, the Committee subgroups recommended removing some projects that were listed in the 10-year CIP. In the Public Safety, Streets and Parking and Library categories, the Committee subgroups recommended adding new projects not originally in the 10-Year CIP. In two categories, Public Safety and Flood Control, the Committee subgroups recommended additional authorization to address potential future cost increases.
- In closing the final meeting, Chairman Piceno reviewed the role of the Committee as determining what the CIP requests are and why they are needed. The final recommendation of the Committee was for Council to proceed with requesting voter approval for approximately \$794 million of authorization to complete the Council-approved 10-year CIP.

City Bond Elections

- Due to recent changes in the Arizona Revised Statutes, this is the last year that the city could hold a bond election in May, 2007. Subsequent bond elections will be held on the first Tuesday following the first Monday in November of each year.
- In the attachment packet of material included with this document, there is a draft timetable of the Election Calendar for a City of Glendale Special Election to be held on May 15, 2007. In brief, the Council would need to adopt a Call of Special Election on January 23, 2007 and submit ballot language to Maricopa County by January 30, 2007.

- Since 1981, Glendale has held three bond elections:
 - The first bond election was held in October 1981. Remaining authorization from the 1981 election is \$6.9 million for an operations center in the north part of the city.
 - Six years later the second bond election was held in March 1987. Remaining authorization from the 1987 election is just under \$1.7 million for the library category and \$6.3 million for water and sewer revenue bonds.
 - Twelve years after that, in November of 1999, voters approved bond authorization in the amount of \$411 million in various general obligation bond categories, with an additional \$10 million in the water and sewer revenue bond category. (See attachment document referencing the 1999 Bond Election ballot.)

Previous Council/Staff Actions

- On November 21, 2006 Council heard the appointed Committee's recommendation at a workshop.
- On June 27, 2006 Council appointed Ron Piceno and Rose Jacobson as Chair and Vice Chair respectively of the Committee through February 28, 2007.
- On May 23, 2006 Council adopted Ordinance No. 2504 New Series, which established the Committee and appointed its members through February 28, 2007.
- On May 2, 2006 staff updated the Government Services Committee on the voter authorization committee to be known as the Ad-hoc Citizen Bond Election Committee.
- On November 15, 2005 staff presented at a workshop, the need to hold a bond election and the concept of engaging the community in the city's CIP bond authorization process was presented to Council.

Community Benefit

- Council chose to appoint seventy citizens representing all districts of the city to the Committee. At the Committee's opening meeting, Mayor Scruggs acknowledged the size and diversity of the Committee and stated her confidence that all areas of the Glendale community would be well-represented by the members of this Committee.
- Gaining the input of Glendale residents serving on the Committee ensured public questions, concerns, and ideas were discussed and addressed in relation to the bond authorization election process. Additionally, Committee members served as knowledgeable representatives for the city and neighborhoods.

- Committee members' firsthand knowledge of impact of CIP projects in their neighborhoods generated fruitful discussion of needs and benefits gained, helping Glendale become a better place and providing guidance on how to improve the quality of life of our citizens.

Budget Impacts & Costs

- In 1999 voters authorized the city to sell bonds for up to \$411 million in broad categories (see list below) with set amounts in each category. To date, some of these categories have unused bond authorization for reasons such as: the projects listed in 1999 election are no longer viable; the projects are not completed yet; the authorization amounts that are left are not high enough for projects to be completed as approved in the current fiscal year CIP; projects have not been started yet that are scheduled to use the remaining bond authorization
- The remaining 1999 voter-approved bond authorization amounts, by category, are listed here:

<u>Categories</u>	<u>Approved</u>	<u>Remaining Authorization</u>
○ Cultural/Historic	\$ 18,215,000	\$ 13,721,000
○ Economic Development	\$ 50,500,000	\$ 34,412,000
○ Flood Control	\$ 38,860,000	\$ 15,951,000
○ Governmental Facilities	\$ 40,910,000	\$ 28,855,000
○ Landfill Development	\$ 17,000,000	\$ 15,540,000
○ Library	\$ 15,398,000	\$ 15,398,000
○ Open Spaces	\$ 53,700,000	\$ 50,525,000
○ Parks and Recreation	\$ 57,187,800	\$ 7,447,000
○ Public Safety	\$ 64,801,000	\$ 42,310,000
○ Streets and Parking	\$ 38,050,000	\$ 8,270,000
○ Transit	\$ 6,935,000	\$ 6,750,000
○ Water & Sewer (revenue bonds)	\$ 10,000,000	\$ 10,000,000
○ TOTAL	\$411,556,800	\$249,179,000

Bond Authorization Election Recommendation

- This recommendation addresses the needs of the first five years in the CIP; provides Council the flexibility to address Council's goals; and incorporates the intent of the Committee's recommendations to increase authorization in the categories for Public Safety, Economic Development, Streets and Parking (not including pavement management), Flood Control, Parks and Recreation and HURF.
- By adding the \$230,000,000 to the remaining voter-approved authorization of \$249,179,000 (referenced above), the total available authorization would be \$479,179,000.

Recommendation Authorization Category	Additional Authorization Needed
Public Safety	\$ 102,637,776
Economic Development	51,587,846
Streets & Parking	22,367,545
Flood Control	20,553,648
Parks & Recreation	16,154,175
<u>HURF (Highway User Revenue)</u>	<u>16,699,010</u>
Total	<u><u>\$ 230,000,000</u></u>

Policy Guidance

Staff is seeking guidance from Council on proceeding with a May 2007 Bond Election in the amount of \$230 million.



CITY OF GLENDALE

Council Communication

Workshop Agenda

12/19/2006

Item No. 3

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Dana Tranberg, Intergovernmental Programs Director

SUBJECT: **INTERGOVERNMENTAL PROGRAMS DEPARTMENT**
2007 STATE LEGISLATIVE AGENDA

Purpose

-
- This is a request for City Council to review and provide direction on the 2007 state legislative agenda.
 - The Council approved legislative agenda defines the City of Glendale's priorities for the upcoming legislative session and will guide the city's lobbying activities at the Arizona State Legislature. The Intergovernmental Programs staff recommends prioritizing the legislative agenda to key principles to allow the city to have a stronger, more consistent message on the items of greatest priority. The proposed priority principles for consideration are described in the attached report.
 - The Intergovernmental Programs staff will come before the Council on a regular basis throughout the session to obtain policy direction on bills and amendments that may be introduced.
 - The city's legislative agenda is a flexible document and may change based on activities at the Legislature and with Council direction.

Council Strategic Goals Or Key Objectives Addressed

-
- The 2006 state legislative agenda includes policy statements intended to protect and enhance the quality of life for Glendale residents by maintaining local decision-making authority.

- Throughout the legislative session policy direction will be sought on bills relating to the financial stability of the city, public safety issues, promoting economic development, managing growth and preserving neighborhoods.

Background

- Prior to each legislative session, the Intergovernmental Programs staff seeks Council adoption of the city's state legislative agenda.
- The 48th Legislature's First Regular Session is set to begin on Monday, January 8, 2007. Governor Janet Napolitano will give her State of the State address on this same day.

Community Benefit

- The key principles of the proposed state legislative agenda are to preserve and enhance the city's ability to deliver quality and cost-effective services to citizens and visitors; address quality of life issues for Glendale residents; enhance the Council's ability to serve the community by retaining local decision-making authority; and to maintain state legislative and voter commitments for revenue sources.

Direction/Policy Guidance

Staff is requesting Council to provide policy direction on the proposed City of Glendale 2007 state legislative agenda.